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Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION OFFICE OF THE SECRETARY

In the Matter of

Interconnection and Resale Obligations Pertaining to Commercial Mobile Radio Services

CC Docket No. 94-54 DA 97-2558

REPLY COMMENTS OF CENTENNIAL CELLULAR CORP.

Centennial Cellular Corp. ("Centennial") provides cellular service in various markets within the United States and PCS service in Puerto Rico. The Comments filed in this proceeding have demonstrated that there is no evidence of a massive failure of market forces that should compel the Commission to institute any form of automatic roaming requirement. This conclusion is supported by Centennial's experience in both its PCS and cellular markets.

I. THE COMMENTS FILED IN THIS DOCKET SUPPORT CONTINUATION OF THE COMMISSION'S POLICY OF LESSENED REGULATION FOR CMRS PROVIDERS

Nothing filed in this proceeding indicates that the Commission should make an abrupt about face in its policy of lessened regulation of the CMRS industry, including roaming arrangements. To the contrary, the evidence shows that there are many successful roaming agreements that have been established by private contract. For example, GTE states that its experience bears out the wisdom of a market-based approach to automatic roaming. Like Centennial, but on a larger scale, GTE holds both PCS and cellular licenses. GTE has negotiated roaming agreements as both the incumbent cellular carrier and as a new PCS provider.² As GTE

Id.

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Supplemental Comments of GTE Service Corporation, Docket No. 94-54, filed on Jan. 5, 1998 at 3.

reports, it has not encountered any widespread resistance to negotiating competitive rates, terms or conditions, nor has it identified any widespread abusive or discriminatory practices by carriers in the negotiating process.³ In the absence of such evidence, the Commission should not intervene in automatic roaming negotiations.

In fact, the CIBERNET study offered by CTIA underscores the lack of evidence of any pervasive conditions that inhibit roaming agreements.⁴ CTIA, the industry's largest association, reports that, "CMRS carriers, including new entrants, are voluntarily and successfully negotiating roaming agreements and joint ventures, primarily to enhance the services they provide to their subscribers in an increasingly competitive marketplace." CTIA further points out that CMRS carriers are employing cross-technology roaming and "rolling up" to facilitate automatic roaming. It would not benefit the industry—or the public—to mandate some form of automatic roaming that would inhibit the innovative arrangements undertaken by the industry in just the past year. Given that CTIA's comments demonstrate that cellular-PCS and PCS-PCS roaming agreements are prevalent in the CMRS marketplace, there is no reason to do so.

 $^{^3}$ Id.

⁴ Comments of the Cellular Telecommunications Industry Association, Docket No. 94-54, filed Jan. 5, 1998, Exhibits A and B.

⁵ *Id.* at 6.

⁶ *Id*.

II. TECHNICAL CONCERNS ALSO MITIGATE AGAINST AN AUTOMATIC ROAMING REQUIREMENT

If the Commission believes that successful implementation of Local Number Portability ("LNP") is important to creating competitive telecommunications markets, it should not impose an automatic roaming requirement. First, the LNP protocols currently devised for wireline carriers must be adapted for CMRS providers. The key components of wireline number portability are switch queries and a data base dip. As CTIA points out, if all CMRS carriers are required to implement automatic roaming agreements, possible technical incompatibilities between LNP-capable and non-LNP capable switches may force wireless carriers to deploy LNP throughout their switches in all markets.⁷ This would be a much heavier burden than the requirements imposed on wireless carriers for implementation of LNP.

In addition, number pooling proposals will create further costs and complications for automatic roaming. Although distributing numbers in blocks of 1,000 rather than 10,000 might delay the need for area code relief, it will pose serious technical difficulties for CMRS providers. If automatic roaming proposals are mandated, it could create excessive costs for carriers—and their customers—to make immediate switch modifications that would accommodate number pooling. Alternatively, network solutions for automatic roaming are just emerging. As the CTIA comments explain, a Nortel DMS-MTX Supernode digital mobile switching platform offers high capacity and flexibility. At least one carrier plans to use this platform, along with roaming agreements and dual-band handsets to provide virtually nationwide coverage for its

⁷ *Id.* at 16.

⁸ *Id.* at 13.

Although these solutions currently may be prohibitively expensive for some carriers, they offer great promise over the longer term to develop options for automatic roaming. The Commission should permit these options to develop and to be tested in the marketplace. To mandate automatic roaming solutions now would inhibit technical innovation that could provide better and less expensive automatic roaming solutions in the near future.

III. 'ROAMING' BY IN-MARKET FACILITIES-BASED COMPETITORS RAISES SERIOUS POLICY CONCERNS

As Airtouch points out, the concept of "roaming" has been limited to the service a customer receives when "visiting in another market." Since 1980, the Commission has drawn a clear distinction between "local and roaming" cellular users. However, the significant differences between the coverage areas of different CMRS systems—including various cellular service areas, as well as BTAs and MTAs for PCS providers—creates a serious potential for blurring this previously clear distinction. For example, if a PCS provider has only one BTA license in a particular area, and the entire BTA is subsumed within the existing service territory of a cellular carrier, or even another PCS provider, it does not seem that the traditional concept

⁹ *Id*.

¹⁰ *Id*.

See Comments of AirTouch Communications, Inc., Docket 94-54, filed Jan. 5, 1998 at 12, citing *Metromedia*, 7 FCC Rcd 714, 716 n.1 (1992) ("A subscriber to one cellular system who is visiting in another market is said to be 'roaming.'")

See AirTouch Comments at 13, n. 29, citing Cellular Communications Systems, Report and Order, 86 F.C.C. 2d 469, 502 ¶ 75 (1981) and Cellular Communications Systems, Notice of Proposed Rulemaking, 78 F.C.C. 2d 984, 997 ¶ 37 (1980).

of "roaming" would cover the use by the one-BTA provider's customers of the pre-existing, overlapping facilities of established carrier. Indeed, to the extent that the Commission intended for carriers to compete with each other in part on the basis of the size of their spectrum "footprints," applying traditional concepts of "roaming" to the situation of overlapping coverage areas of differing sizes would seem inevitably to interfere with that competition. As Airtouch states, if the Commission were to eliminate coverage as a basis for competition, it would also remove the incentive of new licensees to build out their systems rapidly.

The same concerns arise to some extent in the case of systems with a large potential coverage area but that are not yet built out. This probably explains why AT&T Wireless Services and some other carriers support various automatic roaming proposals. Despite the complaints of a few carriers, however, CTIA and PCIA—the two industry associations that represent the bulk of cellular and PCS licensees—report that voluntary roaming arrangements are being negotiated successfully. In fact, each association stated that voluntary roaming agreements are prevalent, which supports the Commission's continued reliance on market forces, rather than regulation to shape the development of commercial mobile radio services. A general rule requiring "automatic roaming" in the case of overlapping and/or unconstructed coverage areas would interfere with the operation of the market in this regard, and at the same time would implicate important Commission policies, such as a preference for facilities-based competition (embodied, for example, in the Commission's build-out requirements) that are not present in the context of traditional roaming in an area distant from the customer's home coverage area.

¹³ See Comments of the Personal Communications Industry Association, Docket No. 94-54, filed Jan. 5, 1998 at 3; Comments of the Cellular Telecommunications Industry Association at 6-8.

For these reasons, to the extent that arrangements in overlapping coverage areas can be termed "roaming" at all, a general rule is inappropriate at this time. Instead, in the first instance the Commission should rely on private negotiations between the affected carriers to develop appropriate resale and/or roaming arrangements. If in a particular case the carriers cannot agree, the Commission should be available to resolve any disputes that may be brought before it. This approach will allow the Commission to consider on a case-by-case basis how to balance its various pro-competitive policies for the developing CMRS industry, without unfairly tilting the negotiating field to the advantage of either existing or new carriers.

IV. CONCLUSION

For the reasons discussed above, the Commission should not promulgate automatic roaming regulations. Moreover, even if some general rule were to be established, the Commission should nonetheless expressly conclude that *in-market* "roaming" arrangements should still be established on a case-by-case basis through carrier-to-carrier negotiations, with the

Commission available to resolve any disputes that arise on the basis of the particular facts of each situation.

Respectfully submitted,

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January 20, 1998

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